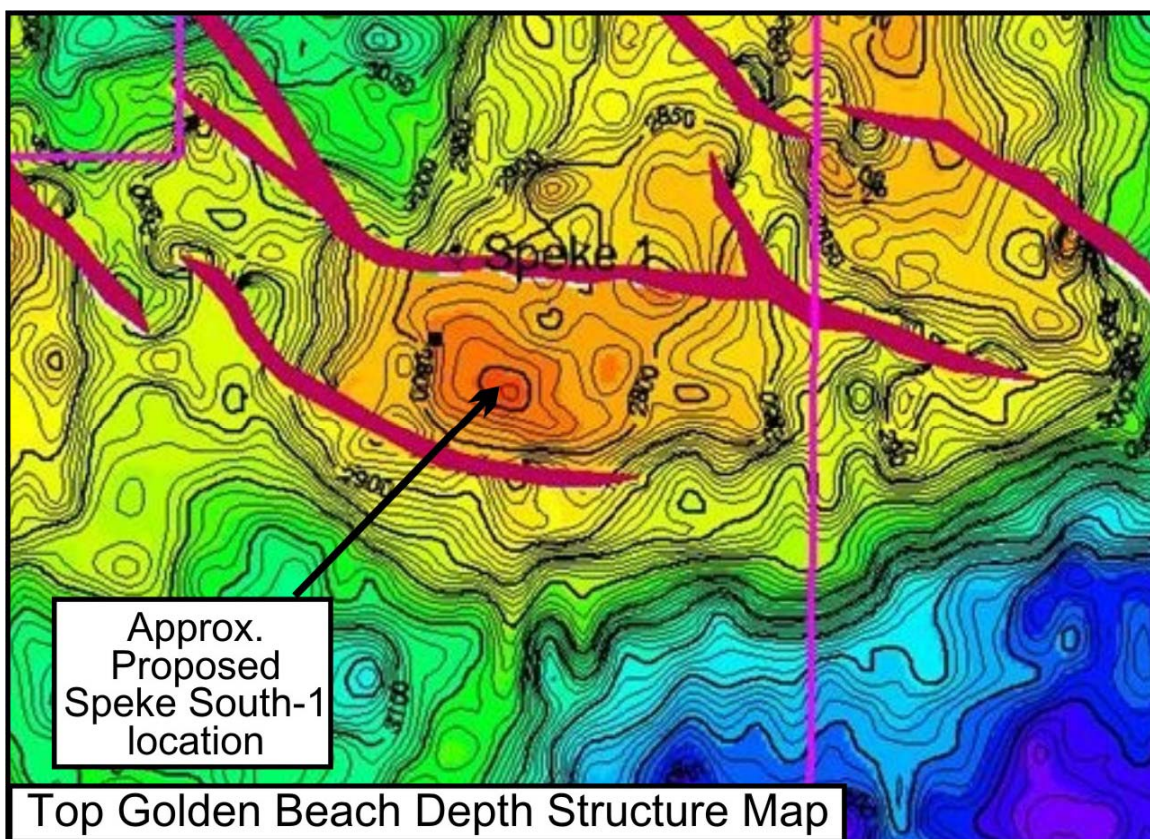


**ASX RELEASE**

**APACHE PROPOSE SPEKE SOUTH-1 AS VIC/P42 FARMIN WELL  
36 MMBBL TARGET**

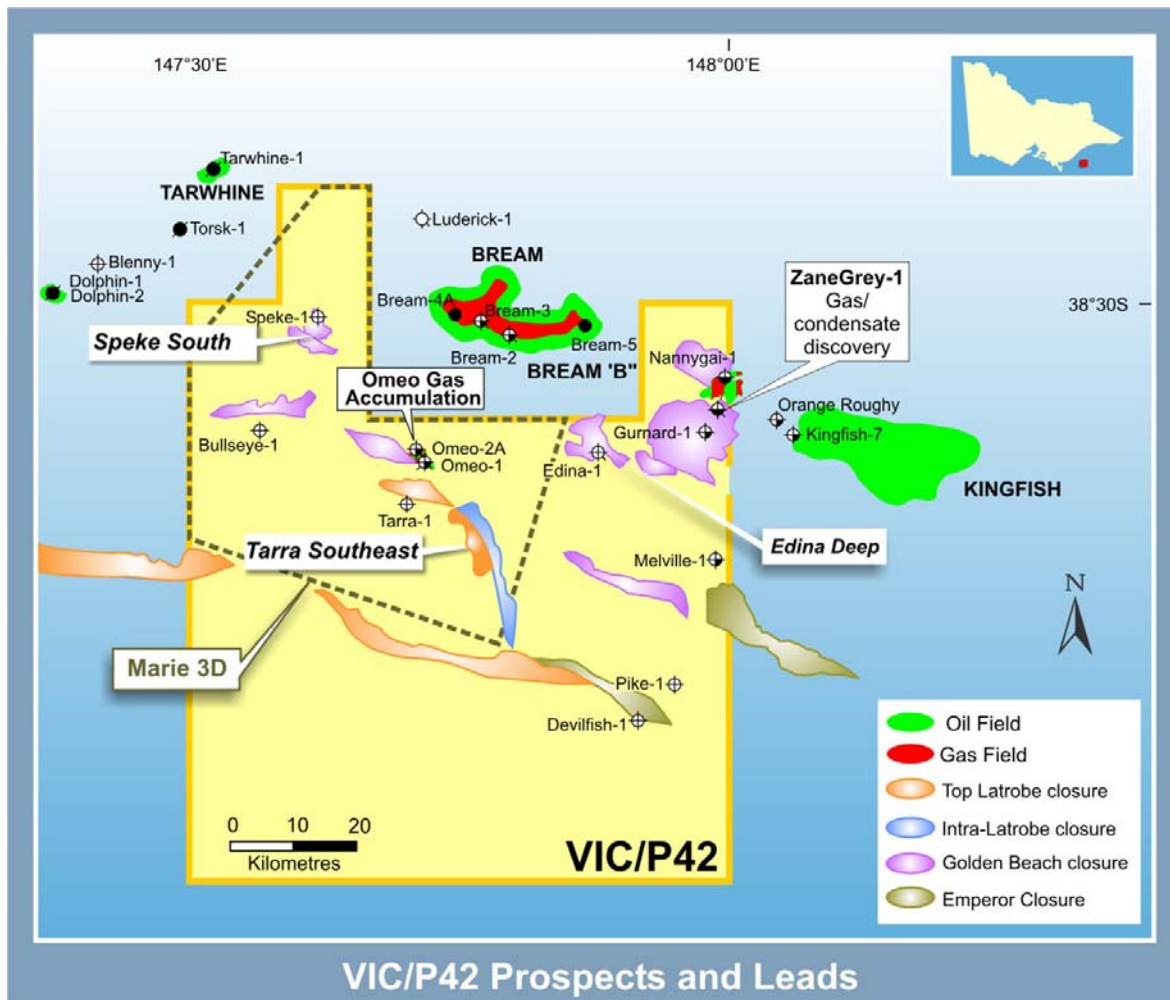
Apache Energy Ltd ("Apache") has advised that it proposes to drill Speke South-1 as its Vic/P42 farmin obligation well. The Speke South-1 exploration well will test an unrisksd mean prospective resource of 36 million barrels.

Bass Strait Oil Company Ltd ("BAS") will be free-carried by Apache through the Speke South-1 farmin well. BAS will retain a 20% interest in the well and the permit.



The Speke South prospect shows closure a several levels, with the most significant volumes at the deeper Golden Beach Subgroup. Speke South-1 is located in a water depth of 56 metres will be drilled to a depth of approximately 2740 metres. The original Speke-1 well was drilled without the benefit of 3D seismic in 1984. Apache mapping indicates that Speke-1 may have intersected a subtle closure at Top Latrobe, but that it was not crestal at intra-Latrobe levels. Speke-1 did not drill deep enough to penetrate the Golden Beach level, which is clearly mapped as a significant feature at the Speke South location.

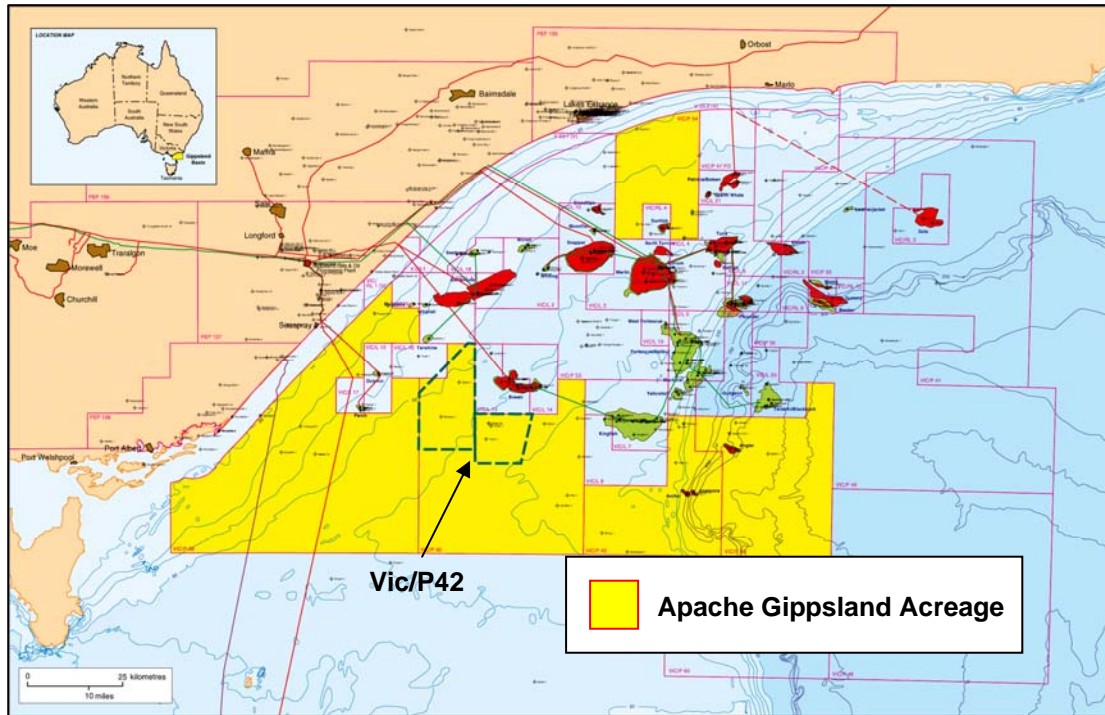
Speke South and the SE Tarra prospect are both being worked up as potential drilling candidates. Apache has prioritised Speke South on the basis of more favourable size and economics, although SE Tarra remains a viable exploration target, and may be addressed in the future. Due to the late arrival of final 3D data processing, Apache is continuing detailed mapping and interpretation on these prospects. Further information should be available in due course.



Vic/P42 lies adjacent to Kingfish, Australia's largest oil field, as well as a number of other Esso/BHP producing oil and gas fields. Gas and condensate discoveries at ZaneGrey (BAS, 2005) and Omeo, lie within Vic/P42.

The future potential of the permit resides in a strong inventory of prospects and leads. At this stage, updated prospects and leads inventory for the whole permit has not yet been completed.

The West Triton jack-up drilling rig has completed its mobilisation from Singapore to Victoria and is now being prepared for the forthcoming drilling programme. Speke South-1 is scheduled to begin drilling in March, as the third well of Apache's 2008 Gippsland Basin campaign.



Prior to the Vic/P42 well, Apache plans to drill a well in each of the adjacent permits to the west and east of Vic/P42. While BAS has no participation in these permits, the wells will potentially be of interest in that they form part of a larger Apache drilling programme involving the southern margin of the Gippsland Basin.

Apache plans to utilise two rigs to drill approximately 10 wells in the southern Gippsland Basin in 2008 and 2009. The slide above shows Apache's Gippsland acreage and gives an indication of its regional approach to exploration of the southern margin trend. BAS expects that significant success in the overall Apache drilling campaign would have the potential to underpin new infrastructure projects in the area, with potential economic benefits for all participants.

Andrew Adams  
 Managing Director  
 31 January 2008